Improving external workforce visibility with SAP Fieldglass

An Australian Taxation Office Case Study
Improving external workforce visibility with SAP Fieldglass

The Australian Taxation Office (ATO) is the Australian government’s main revenue collection agency. The ATO delivers various social and economic benefit and incentive programs, administers major aspects of Australia’s superannuation system and acts as custodian of the Australian Business Register.

ATO’s workforce and unique compliance needs

The ATO’s workforce, spanning all Australian states and territories, consists of employees, temporary staff, contingent workers, and service providers delivering against Statement of Work (SOW) engagements. The ATO had limited visibility into contingent workforce supplier performance, market rates and overall cost to the organization. Looking for a way to better manage an expensive and resource-intensive process for engaging contingent labor, the ATO chose to implement SAP Fieldglass as a solution to this process.

The ATO now manages its contingent workforce with a small staff of internal resources within ICT. The team has a collaborative relationship with stakeholders across other key business lines within the organization, including compliance, finance, procurement, and various project and program offices.

As a federal government agency, the ATO must meet strict compliance guidelines related to how it manages its workforce. For example, it must demonstrate worker value. Its external resources are subject to a value for money assessment when being procured.

The ATO had five primary goals for implementing a Vendor Management System (VMS):

- Reduce the cost of doing business for both the ATO and suppliers
- Enhancing contractor reengagement, retention and performance
- Enhance compliance efforts
- Improve visibility into its external resources and costs
- Create more efficient processes for managing contingent labor and services
SAP Fieldglass’ best-in-class technology

SAP Fieldglass provides a single point of reference for all users, including agency hiring managers, suppliers, workers and the panel management teams, to streamline and automate its services procurement processes, from requisition through payment.

The ATO implemented the VMS in 2015 in just 15 weeks. After launching with approximately 300 IT workers, the program has nearly doubled in size, bringing the ATO’s IT and non-IT external workforce under management.

“By standardizing and automating our contractor engagement processes, we have achieved greater visibility into spend and supplier performance.

The VMS provides a single point of reference that agency hiring managers, suppliers, workers and the Panel Management Team can utilize to facilitate all processes from requisition through to payment.”

Peter Walker, Assistant Commissioner, IT Commercial Services, ATO
Impressive results

The ATO has realized improved external workforce visibility. Since the program’s inception, the number of workers managed in SAP Fieldglass has increased significantly. Due to automation and streamlining provided by the VMS, the IT Contractors Panel did not need to increase its staff to meet this demand, and was able to redeploy full time resources to other activities.

The organization has identified several improvements in both cost savings and efficiency:

• Robust supplier metrics are now used to measure KPIs and measure supplier performance
• Suppliers are no longer required to invoice the ATO and are now paid automatically

By leveraging SAP Fieldglass’ VMS, the ATO has also been able to speed the procure-to-pay cycle, allowing them to:

• Enhance contractor engagement, retention and performance
• Improve industry engagement and supplier relationships
• Strengthen accountability and transparency through the procurement process
• Provide real-time analytics on its contingent labor workforce

Looking ahead

The ATO has commenced utilization of the SOW function for its Recruitment Services Panel and is assessing other opportunities to broaden spend under management. In addition, the organization plans to expand use of SAP Fieldglass to leverage additional opportunities for automation, and to continue building on its supplier relationships.

Learn More

The world of work is changing, and SAP Fieldglass is leading the way with innovative solutions that harness the power of the external workforce in driving the digital economy. Explore additional resources on www.fieldglass.com/resources to learn more about the external workforce and the way work gets done.
Follow us

www.fieldglass.com/contact